



**State of Tennessee
Department of Finance and Administration
Bureau of TennCare
729 Church Street
Nashville, TN 37247-0492**

**Phil Bredesen
Governor**

**M. D. Goetz, Jr.
Commissioner**

December 31, 2003

Lt. Governor John S. Wilder
1 Legislative Plaza
Nashville, TN 37243-0026

Dear Governor Wilder:

In compliance with Public Chapter 356, Section 10, Item 35, I am submitting the following letter and report for your information. Item 35 required the Bureau of TennCare to "contract with an outside vendor to electronically verify the accuracy and completeness of the TennCare database of enrollee names, places of residence, social security numbers, and death information".

The TennCare Bureau conducts its own data integrity activities throughout the year, including running matches of enrollee data against monthly Vital Records files from Department of Health, the Social Security Administration databases, Department of Corrections' files and Department of Personnel employee lists. However, the Bureau recognized the need to secure the assistance of a private vendor that specializes in this type of process and has access to databases that are unavailable to TennCare. The TennCare Bureau recognizes that there needs to be multiple databases utilized in attempting to validate the completeness and accuracy of the TennCare eligibility files.

It should be noted that this method of data matching has not previously been performed on the Medicaid and TennCare population. To our knowledge, this is the first time any Medicaid program in the country has attempted to match its enrollment records with other public information databases not generally available to the state. It is also important to realize that as with any public information, there is no guarantee that information in these public databases is accurate.

It should also be recognized that these types of data matches cannot be used to verify eligibility and the results cannot be used independently. They are intended as another source of information to assist the TennCare program in strengthening the integrity of its eligibility system. TennCare and ChoicePoint have agreed that this information alone is inconclusive, even at the "highest confidence level", and should be reviewed and validated before any action is taken. The process is simply another way of identifying potential areas of concern that should be further reviewed by TennCare.

On July 1, the Appropriations Bill became effective and the Bureau of TennCare released a Request for Proposal (RFP) to procure these data match services as required in Item 35. From the seven respondents, TennCare awarded the contract to ChoicePoint, a publicly-traded, Georgia-based company with expertise in this area. The parties signed a contract on September 11, 2003. Unfortunately, the legislation did not provide TennCare with enough time to release a RFP, award a contract, and complete the work required by the deadline included in Item 35. Once ChoicePoint was selected by the Bureau, TennCare and ChoicePoint began working to define the match criteria, system requirements, and reporting formats to be used. TennCare released a file of information to ChoicePoint on October 27, 2003 which included data on the 1.3 million enrollees in the TennCare database. Based on the contract, ChoicePoint had thirty (30) days to perform the data match and return data files to TennCare.

Data files were returned to TennCare on November 26, 2003. TennCare's Program Integrity Unit took samples from the initial data run and performed Quality Assurance checks on the information. Following the completion of the sampling, TennCare and ChoicePoint determined that the matching criteria were too broad and the information being returned to TennCare was not specific enough to be of use to TennCare. TennCare and ChoicePoint revised the initial match criteria and ChoicePoint performed the match again. The data contained in the report was returned to TennCare on December 18, 2003.

ChoicePoint's matching process identified potential discrepancies between the records maintained by TennCare and the public information databases which ChoicePoint has access to. ChoicePoint used the following databases for matching against the TennCare enrollee information provided.

- 3 Major Credit Bureau Header files – information from consumer credit reports of Equifax, Experian, and TransUnion.
- ChoicePoint composite file – consists of header information from consumer reporting agencies, including property and casualty insurance companies and driver's license agencies.
- Drivers License file – information reported from 35 state agencies, including AL, CO, CT, DE, DC, FL, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MI, MN, MS, MO, NE, NJ, NM, NY, NC, ND, OK, OR, RI, SC, SD, TN, TX, UT, VT, WI.
- Proprietary Real-time Phone file – residential and business listings from all 11 Regional Bell Operating Companies and local carriers.
- USPS NCOA file – U.S. Postal Service National Change of Address file; contains address information for individuals that complete a Change of Address Notice with the Post Office.
- USPS CDS file – U.S. Postal Service Computerized Delivery Sequence file; indicates whether an address is deliverable, non-residential, drop-box and/or seasonal.
- ChoicePoint High Risk Address file – indicates whether an address belongs to business types known to possibly represent a heightened risk of fraud, including nightclubs, mail drops, hotels and motels.
- SSA Death Master – Social Security Administration file that indicates social security numbers that have had a death claim filing (social security numbers are reported to be associated with a deceased individual).
- SSA Issue Master – Social Security Administration file that validates social security number issue locations and data ranges.

TennCare reviewed the information provided by ChoicePoint to determine whether or not there are problems or issues with an enrollee's eligibility file. Information which ChoicePoint designated as having the "highest confidence level" is given priority status and that information is being reviewed and validated by TennCare. When TennCare validates information dealing with eligibility, appropriate actions are taken to update the TennCare system.

The attached report is a summary of the data files returned to TennCare for further review. TennCare, at the advice of ChoicePoint, has made the decision not to make changes to any eligibility record based solely on the information provided by ChoicePoint. TennCare will not make any change to an eligibility record without the review and validation of the information provided by ChoicePoint.

TennCare provided ChoicePoint with 1,318,823 records which included the full name, social security number, date of birth and address of the enrollee. ChoicePoint returned the following results:

- 793,152 records were matched directly by ChoicePoint's process.
- 276,674 records were matched using associated logic matching minors to relatives or adults in a household
- 248,997 records were unable to be matched through any of ChoicePoint's processes.

Of the 248,997 records which were unable to be matched, 200,430 records were children. It is reasonable that these records were unable to be matched since few children have established credit or have driver's license, two major sources of information used in this process. The remaining 48,567 records could possibly be adults with similar circumstances or disabled adults that are dependent on others to provide for their financial matters and transportation needs.

ChoicePoint has returned the following results to TennCare with a rating of "highest confidence level". The "highest confidence level" rating represents address information that has been verified by matching the most recent address from a consumer reporting agency with an active phone number for the first name, last name, social security number, and address. Results reported include:

- ChoicePoint identified 62,619 "Highest Confidence Level" addresses in Tennessee.
 - Of the 62,619 addresses in Tennessee, ChoicePoint reported that 46,167 addresses are the same addresses as in the TennCare system. ChoicePoint identified 16,452 records different than on the TennCare system that need further review.
- ChoicePoint identified 1,358 potential out of state addresses returned with the "Highest Confidence Level".
- ChoicePoint identified 206 possible death records.
- ChoicePoint identified 1 possible invalid social security numbers (SSN).
- ChoicePoint identified 7 possible SSNs issued before the date of birth.

TennCare's review of this information has produced the following results:

Addresses in Tennessee

- TennCare will review the 16,452 records and attempt to validate the information provided by ChoicePoint.

Out of State Addresses

- TennCare is currently reviewing the 1,358 potential out of state addresses provided by ChoicePoint to determine the accuracy of the information and the reasons for the out of state addresses. It should be noted that out of state addresses may be valid under certain circumstances.

Death Record

- 122 enrollee records (59%) had already been updated by TennCare
- 73 enrollees (36%) had existing eligibility on the TennCare system. 61 of these records had a date of death reported of less than 90 days old. In accordance with TennCare policy, these records would have been updated under normal procedures in a timely manner. The remaining 12 records are currently under review by TennCare.
- 7 enrollees (3%) had been terminated by TennCare for reasons other than death.
- 4 enrollees (2%) were confirmed as alive in Tennessee, despite the Social Security Administration's records indicating that a death claim has been filed.

Invalid Social Security Number

- 1 enrollee record was reported as a potential invalid social security number. TennCare has validated with the Social Security Administration that the number in TennCare's System is correct.

Social Security Numbers Issued before Date of Birth

- 7 enrollee records returned by ChoicePoint validated the social security number, but noted an inconsistency in the date of birth. The TennCare system reflected an inaccurate date of birth and the records are being corrected.

In addition to the "highest confidence level", ChoicePoint has also identified data that is different than exists in the TennCare files. This data will be reviewed by TennCare to determine if these differences are valid and changes need to be made to the TennCare data files. TennCare and ChoicePoint are working to identify reasons for these differences and to determine if additional changes to the matching criteria are necessary.

As an example, ChoicePoint identified 23,110 social security numbers as potentially invalid numbers. Upon review by TennCare, 16,292 or 70% were numbers issued by TennCare to children under the age of 1 who have not been issued a number by the Social Security Administration, children being adopted from foster care, and legal aliens. These numbers were issued in accordance with TennCare policy. The difference of 6,818 will be reviewed further by TennCare to determine reasons for the discrepancies and if changes should be made to the TennCare data files.

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TennCare and ChoicePoint have agreed that this information alone is inconclusive, even at the "highest confidence level", and should be reviewed and validated before any action is taken. The process is simply another way of identifying potential areas of concern that should be further reviewed by TennCare.

As mentioned earlier, TennCare is reviewing the information provided with the highest confidence level first. Once that process is completed, TennCare will review the information provided at other confidence levels. As additional reviews are completed, TennCare will keep the General Assembly apprised of any developments from this matching process.

Sincerely,

Manny Martins
Deputy Commissioner

CC: Members of the General Assembly
Fiscal Review Committee

Attachment



***TennCare Enrollee Database Verification Project Summary Report
December 30, 2003***

ChoicePoint is pleased to have completed the data processing required under the TennCare Database Verification Project, including the review and verification of 1,318,823 enrollee addresses and Social Security Numbers (SSN) based on TennCare's requirements. The project was designed as a two-step process. Initially, ChoicePoint used public records information to identify potential inconsistencies in enrollee information. The findings were then passed to TennCare for its formal review and investigation before any action is taken.

The enrollee file was received by ChoicePoint on October 27, 2003 and preliminary results were returned to TennCare on November 26, 2003. After the preliminary results were returned, additional processing was requested by TennCare on December 12, 2003, the results of which were returned to TennCare on December 18, 2003.

Based on the processing rules developed by TennCare and ChoicePoint, we have identified inconsistencies in enrollee information as outlined below that now require additional follow-up and investigation by TennCare:

Possible updated address	16,452
Possible deceased enrollee based on SSN	206
Possible invalid SSN	1
Possible SSN issued before enrollee's date of birth	7
Possible out of state address	1,358

In addition, 46,167 enrollee addresses were validated as being the current address.

ChoicePoint developed, at TennCare's direction, matching standards for reviewing possible inconsistencies in enrollee information. The information contained in this report meets the highest matching standards developed for this project. To be included in this report, address information must have been verified by matching the most recent address from a consumer reporting agency (based on first name, last name and SSN) with an active phone number for the first name, last name and address. In addition, all enrollees under the age of 18 were excluded, as were enrollees with a current, validated out of state address whose TennCare supplied address was a long-term nursing facility.

The attached addendum details the process used to determine if possible inconsistencies exist between TennCare supplied information and ChoicePoint

comparison data. A glossary of terms is also attached to define unfamiliar terms to ensure that the data results are clearly understood.

ChoicePoint is pleased to have supported TennCare in meeting the agency's mission in support of Tennessee's taxpayers.

James Lee
Chief Marketing Officer
ChoicePoint Inc.
770-752-3190

About ChoicePoint

ChoicePoint (NYSE: CPS) is the leading provider of identification and credential verification services for making smarter decisions in a world challenged by increased risks. Serving the needs of business, government, non-profit organizations and individuals, ChoicePoint works to create a safer and more secure society through the responsible use of information while ensuring the protection of personal privacy. ChoicePoint employs approximately 3,500 people at 52 locations in 26 states, with business unit headquarters in Nashville and Brentwood, Tenn.

Exhibit A:

Verification Process

ChoicePoint jointly developed with TennCare the following seven-step process to perform the requested address and Social Security Number (SSN) verifications:

1. ChoicePoint received a file from TennCare containing 1,318,823 enrollee records with the following information: name, address, date of birth (DOB), SSN and telephone number.
2. ChoicePoint standardized the format of the name and address.
3. ChoicePoint identified the most current address associated with the enrollee by verifying the name, address and SSN information provided with several public and proprietary record sources:
 - Credit bureau header files from the three (3) national credit reporting agencies
 - ChoicePoint's composite file of information from consumer reporting agencies and state drivers' license agencies
 - Real-time telephone listings (residential and business) from all Regional Bell Operating Companies and local carriers
 - United States Postal Service (USPS) National Change of Address file
4. ChoicePoint validated the address from Step 3 with the USPS Computerized Delivery Sequence file and ChoicePoint's High Risk Address file to determine the type of address: a business address, a deliverable address, a drop-box, a seasonal address or non-residential address types known to represent a heightened risk of fraud, such as hotels.
5. ChoicePoint validated the SSN provided by TennCare with the Social Security Administration (SSA) to determine if the SSN is a valid number, has a death claim filed against it and whether the SSN issue range corresponds to the DOB provided by TennCare.
6. ChoicePoint validated the DOB provided by TennCare with the reporting agency files (credit bureau and ChoicePoint's Composite file).
7. ChoicePoint prepared the requested data files including summary statistics, Excel spreadsheets for TennCare's Program Integrity department and batch (bulk data) files with results data for the entire database of 1.3 million names. TennCare further requested ChoicePoint categorize the address verification results based on jointly developed matching criteria. As TennCare continues to review the results and define their business rules, additional adjustment to the matching criteria and category definitions may be necessary.

Glossary of Terms

Possible updated address – number of addresses from TennCare that were updated based on the defined verification process.

Possible deceased enrollee based on SSN – number of SSNs from TennCare determined to have a death benefit assigned by the Social Security Administration

Possible invalid SSN – number of SSNs from TennCare determined to be invalid (not issued) according to the Social Security Administration.

Possible SSN issued before the enrollee's date of birth - number of SSNs with issuance date ranges before the TennCare supplied date of birth.

Possible out of state address – number of addresses determined to be out of Tennessee.

Matching criteria – jointly developed rules that determine if a *possible* address or SSN inconsistency requires additional investigation by TennCare. In this project, inconsistencies were categorized based on the number of data points that matched the review criteria. For purposes of this report, address information must have been verified by matching the most recent address from a reporting agency (based on first name, last name and SSN) with an active phone number for the first name, last name and address. In addition, all enrollees under the age of 18 were excluded, as were enrollees with a current, validated out of state address whose TennCare supplied address was a long-term nursing facility. Other categories of inconsistencies were returned in bulk to TennCare, but were not part of the scope of this report.

ChoicePoint was not tasked with verifying the data resulting from the matching criteria as that is the responsibility of TennCare.

Header Data – non-financial, demographic data contained on credit bureau and consumer reporting agency reports. Typically contains name, current and past addresses, date of birth and SSN.